

A RESOLUTION

BY COUNCILMEMBER

 

A RESOLUTION AUTHORIZING THE CITY ATTORNEY TO EXECUTE AN AMENDED RETAINER AGREEMENT WITH THE LAW FIRM OF GREENBERG TRAURIG, LLP TO SERVE AS BOND COUNSEL TO THE CITY OF ATLANTA IN CONNECTION WITH THE CITY'S ISSUANCE OF AIRPORT GENERAL REVENUE REFUNDING BONDS SERIES 2003RF AND RELATED HEDGE AGREEMENTS; TO RESCIND RESOLUTION 01-R-1708; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta solicited written proposals from local law firms seeking bond counsel services, in the Summer of 2001, for an issue of Airport General Revenue Refunding Bonds in an amount of approximately \$460,000,000; and

WHEREAS, on August 23, 2001, Greenberg Traurig LLP responded to the Request for Proposal with a bid price that expressly assumed the issuance of one series of Airport General Revenue Refunding Bonds Revenue in a principal amount of approximately \$460,000,000, and, on that basis, submitted a bid of \$0.25 per \$1,000 principal amount of bonds; and

WHEREAS, by Resolution 01-R-1708, adopted November 5, 2001, the City engaged Greenberg Traurig LLP and The Payne Group to serve as bond counsel (herein, "Bond Counsel") for the City's issuance of Airport General

Revenue Refunding Bonds for a fee of \$0.25 per \$1,000 principal amount of the bonds to be issued, plus actual expenses incurred; and

WHEREAS, world events, economic conditions, interest rates, airport traffic patterns, and, specifically, the municipal bond market have changed significantly since the time of Bond Counsel's bid in August of 2001; requiring the City's Financial Advisors to change the fundamental structure of the Refunding Transaction several times since 2001 in order for the City and the Airport to obtain the debt service savings available to the City and Airport; and

WHEREAS, in light of present economic conditions, the City's Financial Advisors have recommended that the City authorize the issuance of not to exceed \$750,000,000 of Airport General Revenue Refunding Bonds in six separate series, with a portion of such bonds related to two or more variable to fixed interest rate hedge agreements ("Hedge Agreements") with one or more qualified hedge providers ("Hedge Providers"); and

WHEREAS, to obtain the best cost for the Hedge Agreements, the City will select Hedge Providers pursuant to competitive bids, which will require the simultaneous negotiation of Hedge Agreements with ten or more Hedge Provider candidates; and

WHEREAS, the City Attorney has requested Bond Counsel to provide the City Finance Department with legal services related to the negotiation and delivery of the Hedge Agreements, including the issuance of a legal opinion related to the Hedge Agreements; and

WHEREAS, the Hedge Agreements relate directly to the issuance of the Refunding Bonds, which transaction is expected to save the City and the Airport approximately \$40 million in present value savings after the payment of all fees and expenses to be incurred as part of the issuance of the Bonds and entry into the Hedge Agreements; and

WHEREAS, in light of Bond Counsel's additional work in assisting the City to structure and re-structure the Refunding Transaction since late 2001, providing the legal work related to the issuance of the additional Series of Airport Revenue Refunding Bonds, and negotiating the Hedge Agreements and issuing the legal opinions therefor, Bond Counsel has expended time far in excess of the time expected or contemplated to be required by the City in 2001; and

WHEREAS, the City Attorney was unable to forecast either the changes in the municipal bond market or the changes in the legal work required by this complicated refunding transaction that have occurred since these services were originally procured in 2001; and

WHEREAS, the City Attorney has determined that the necessary services actually provided by Bond Counsel are substantially greater than the single-series bonds originally contemplated; and

WHEREAS, the previously agreed-upon fee structure for the single-series bonds, as authorized by 01-R-1708, would have resulted in a fee of \$115,000.00 plus expenses for the previously contemplated sizing of \$460 million; and

WHEREAS, after discussion and negotiation with Bond Counsel the City Attorney recommends that the fee arrangement with Bond Counsel be amended to a flat fee of \$240,000, plus actual expenses, as a more reasonable reflection of the value of legal work received by the City of Atlanta in this complex transaction.

NOW, THEREFORE, BE IT RESOLVED THAT THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA that the City Attorney is authorized to execute an amended retainer agreement with the law firm of Greenberg Traurig, LLP to act as bond counsel to the City of Atlanta in connection with the issuance of approximately \$750,000,000 of Airport General Revenue Refunding Bonds in multiple separate series, with two or more variable to fixed interest rate hedge agreements.

BE IT FURTHER RESOLVED THAT the Chief Financial Officer is hereby authorized to remit payment of all legal fees, expenses and costs due for legal services rendered to the City by Greenberg Traurig, LLP in connection with the foregoing bond issue in the amount of \$240,000 plus actual expenses incurred, which shall be payable from the proceeds of such Airport Revenue Refunding Bonds upon the closure of the transaction.

BE IT FINALLY RESOLVED that Resolution 01-R-1708, adopted on November 5, 2001 and approved by the Mayor on November 13, 2001 be rescinded.

CITY COUNCIL
ATLANTA, GEORGIA

A RESOLUTION

01-R-1708

BY CLETA WINSLOW, MICHAEL J. BOND, AND VERN MCCARTY

AS SUBSTITUTED BY FINANCE/EXECUTIVE COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A RETAINER AGREEMENT WITH THE LAW FIRMS OF GREENBERG TRAURIG, LLP AND THE PAYNE GROUP, P.C. TO SERVE AS BOND COUNSEL TO THE CITY OF ATLANTA IN CONNECTION WITH THE ISSUANCE OF CERTAIN AIRPORT REFUNDING BONDS; TO AUTHORIZE THE CHIEF FINANCIAL OFFICER TO PAY FEES AND COSTS FOR LEGAL SERVICES RENDERED PURSUANT TO SAID AGREEMENT; TO RESCIND CONFLICTING RESOLUTIONS; AND FOR OTHER PURPOSES.

WHEREAS, Section 2-991 of the Code of Ordinances for the City of Atlanta provides certain procedures for the selection and recommendation of Bond Counsel for the City of Atlanta to the Atlanta City Council in connection with the issuance of City bonds; and

WHEREAS, the City Attorney has solicited written proposals from numerous law firms in the City of Atlanta to serve as Bond Counsel for the city in connection with the issuance of Airport Refunding Bonds; and

WHEREAS, the law firms of Greenberg Traurig, LLP and The Payne Group, P.C. submitted proposals to serve as Bond Counsel for the City in connection with the Airport Refunding bond issue, and the City Attorney, in consultation with the Chief Financial Officer, recommends the firms of Greenberg Traurig, LLP and The Payne Group, P.C. to serve as Bond Counsel to the City in connection with the issuance of the Airport Refunding Bonds.

NOW THEREFORE, THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA HEREBY RESOLVES as follows:

Section 1. That the Mayor of the City of Atlanta is hereby authorized to execute a retainer agreement with the law firms of Greenberg Traurig, LLP and The Payne Group, P.C. to serve as Bond Counsel to the City of Atlanta in connection with the issuance of approximately \$460,000,000.00 in Airport Refunding Bonds.

Section 2. That the Chief Financial Officer is hereby authorized to remit payment of all legal fees, expenses, and costs due for legal services rendered by Greenberg Traurig, LLP and The Payne Group, P.C. in connection with said bond issue, such amounts to be paid from the proceeds of the bond issue; the legal fees authorized herein are \$.25 per \$1000 of bond issue, plus actual expenses incurred (for example, the fee for a \$460,000,000 bond issue would be \$115,000.00 plus actual expenses incurred); provided, however, that the minimum fee for legal services rendered by Greenberg Traurig, LLP and The Payne Group, P.C. shall be \$95,000.00 plus actual expenses incurred.

A true copy,

Rhonda Daughlin Johnson
Municipal Clerk, CMC

ADOPTED by the Council
APPROVED by the Mayor

NOV 05, 2001
NOV 13, 2001

Attachment

01-R-1708

(Do Not Write Above This Line)

A RESOLUTION

BY *Clara Henderson* *Michael R.*

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A RETAINER AGREEMENT WITH THE LAW FIRMS OF GREENBERG TRAURIG, LLP AND THE PAYNE GROUP, P.C. TO SERVE AS BOND COUNSEL TO THE CITY OF ATLANTA IN CONNECTION WITH THE ISSUANCE OF CERTAIN AIRPORT REFUNDING BONDS; TO AUTHORIZE THE CHIEF FINANCIAL OFFICER TO PAY FEES AND COSTS FOR LEGAL SERVICES RENDERED PURSUANT TO SAID AGREEMENT; TO RESCIND CONFLICTING RESOLUTIONS; AND FOR OTHER PURPOSES.

ADOPTED BY

NOV 05 2001

- ☐ CONSENT REFER
☐ REGULAR REPORT REFER
☐ ADVERTISE & REFER
☐ 1st ADOPT 2nd READ & REFER
☒ PERSONAL PAPER REFER

COUNCIL

Date Referred 10/15/01

Referred To: Finance / Executive

Date Referred

Referred To:

Date Referred

Referred To:

First Reading

Committee _____
Date _____
Chair _____
Referred to _____

Committee FINANCE / EXECUTIVE
Date 10/31/01
Chair *[Signature]*
Action: Substitute
Fav, Adv, Hold (see rev. side) [Signature]
Other: [Signature]
Members [Signature]
Refer To _____

Committee _____
Date _____
Chair _____
Action: _____
Fav, Adv, Hold (see rev. side) _____
Other: _____
Members _____
Refer To _____

FINAL COUNCIL ACTION

☐ 2nd ☐ 1st & 2nd ☐ 3rd
Readings
☒ Consent ☐ V Vote ☒ RC Vote

CERTIFIED

CERTIFIED
NOV 05 2001
Michael R.
COUNCIL PRESIDENT PROTEM

CERTIFIED
NOV 05 2001
[Signature]
CLERK

MAYOR'S ACTION

APPROVED
NOV 05 2001
[Signature]